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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

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Telephone Number:

Refer Reply To:

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PLR-139148-09

Date:

March 12, 2010

Legend

Sub 25 =

Sub 26 =

Sub 27 =

Sub 28 =

Sub 29 =

Sub 30 =

LLC 14 =

LLC 15 =

LLC 16 =

LLC 17 =

LLC 18 =

LLC 19 =

Grantor Trust =

Conditions =

State A =

Asset A =

s =

t =

u =

v =

w =

x =

y =

z =

aa =

bb =

cc =

dd =

Date 15 =

Date 16 =

Dear :

This letter responds to your August 27, 2009 request that we supplement our letter ruling dated September 10, 2008 (PLR-118757-08) (the "Prior Letter Ruling"). The information provided in that letter and in later correspondence is summarized below. Capitalized terms not defined in this letter have the meanings originally assigned to them in the Prior Letter Ruling.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by the appropriate parties. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process. In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the Proposed Transaction: (i) satisfies the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations; (ii) is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see § 355(a)(1)(B) of the Internal Revenue Code (the "Code") and § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation (see § 355(e) and § 1.355-7).

Supplemental Facts

Sub 1 wholly owns LLC 14. Sub 6, together with other members of the Distributing Group, wholly owns Sub 30. LLC 6 wholly owns Grantor Trust, which wholly owns Sub 25.

Modified Proposed Transaction

For reasons that relate to, among other things, substantial changes in market conditions and changes required to facilitate Conditions, certain steps of the Proposed Transaction as defined and described in the Prior Letter Ruling have been modified as follows (with all steps including the modifications set forth below):

- (i) Distributing contributed \$d to Sub 1. Sub 1 used the \$d to satisfy its intercompany obligations to Distributing (the “Sub 1 Contribution and Debt Repayment”).
- (ii) Sub 30 sold \$e of intercompany obligations of Sub 17 to Distributing for a note of Distributing.
- (iii) Distributing will repay obligations owed under the Historic TSA to each of Sub 14, Sub 15, Sub 19, and Sub 21. Each of Sub 14, Sub 15, Sub 19, and Sub 21 will transfer such proceeds to Sub 30 in exchange for common membership interests in Sub 30.
- (iv) Distributing will raise \$s by issuing its debt (the “Distributing Notes”) to unrelated investors in one or more issuances effectuated at least g days prior to the effective date of the Initial Distribution.
- (v) Sub 2 will merge with and into Distributing (the “Sub 2 Merger”).
- (vi) Sub 1 will form LLC 12. Sub 10 will merge with and into LLC 12 (the “Sub 10 Liquidation”). LLC 12 will be treated as a disregarded entity.
- (vii) Sub 1 will merge with and into LLC 1 (the “Sub 1 Merger”).
- (viii) LLC 1 will distribute the stock of Sub 9 and Sub 11 to Distributing (the “LLC 1 Distributions”).
- (ix) Distributing will form Sub 27, which will elect to be treated as a corporation pursuant to § 301.7701-3, and Distributing will contribute t percent of the membership interests of LLC 1 to Sub 27 in exchange for membership interests of Sub 27.
- (x) Sub 18 will sell an asset to Sub 16 in exchange for a Sub 19 receivable.
- (xi) Sub 12 will convert under state law into a LLC, changing its name to LLC 11 (the “Sub 12 Liquidation”). LLC 11 will be treated as a disregarded entity.

(xii) Distributing will contribute t percent of the membership interests of LLC 11 to LLC 1. Distributing will contribute u percent of the membership interests of LLC 11 to Sub 27, which will contribute such interests to LLC 1.

(xiii) Sub 17 will elect to be treated as a disregarded entity becoming LLC 16 (the “Sub 17 Liquidation”).

(xiv) Sub 6 will convert under state law into a LLC, changing its name to LLC 10 (the “Sub 6 Liquidation”). LLC 10 will be treated as a disregarded entity.

(xv) Sub 21 will convert under state law into a LLC (the “Sub 21 Liquidation”), changing its name to LLC 19. LLC 19 will be treated as a disregarded entity.

(xvi) Sub 20 will convert under state law into a LLC changing its name to LLC 17 (the “Sub 20 Liquidation” and, together with the Sub 17 Liquidation and the Sub 21 Liquidation, the “State A Liquidations”). LLC 17 will be treated as a disregarded entity.

(xvii) Sub 7 will merge with and into Distributing (the “Sub 7 Liquidation”).

(xviii) Sub 19 will merge with and into Sub 15 (the “Sub 19 Liquidation”).

(xix) Sub 15 will merge with and into Sub 4 (the “Sub 15 Liquidation”).

(xx) Sub 14 will elect to be treated as a disregarded entity becoming LLC 18 (the “Sub 14 Liquidation,” and together with the State A Liquidations, the “Additional Liquidations”).

(xxi) (a) Sub 4 will convert under state law into a LLC changing its name to LLC 13 (the “Sub 4 Liquidation,” and together with the Sub 6 Liquidation, Sub 7 Liquidation, Sub 10 Liquidation, Sub 12 Liquidation, Sub 15 Liquidation, Sub 19 Liquidation, and the Additional Liquidations, collectively, the “Liquidations”). LLC 13 will be treated as a disregarded entity.

(b) Sub 25’s interests in investment funds will be redeemed (the “Redemption”), and Grantor Trust will sell the stock of Sub 25 to Distributing for \$y (the “Sub 25 Sale”).

(c) Immediately following the Sub 25 Sale, Sub 25 will reinvest the proceeds from the Redemption in Asset A.

(xxii) Distributing will form Sub 26, which will be a LLC that elects to be treated as a corporation pursuant to § 301.7701-3, and Distributing will contribute the remaining u percent of the membership interests in LLC 1 to Sub 26 in exchange for membership interests in Sub 26 and a Sub 26 note (the “Sub 26 Note Issuance”).

(xxiii) Sub 18 will distribute the stock of Sub 23 to Distributing.

(xxiv) LLC 19 will distribute all of its interest in Sub 30 to LLC 17. LLC 17 will distribute all of its interests in LLC 19, Sub 22, and Sub 30 pro rata to Distributing and LLC 16. LLC 16 will distribute all of its interests in LLC 19, Sub 22, and Sub 30 to LLC 10. LLC 10 will distribute all of its interests in LLC 19, Sub 22, and Sub 30 to Distributing. LLC 18 will distribute all of its interest in Sub 30 to LLC 13, which, in turn, will distribute all of its interest in Sub 30 to Distributing.

(xxv) Controlled will form Sub 28.

(xxvi) Distributing will form Sub 29, which will elect to be treated as a corporation pursuant to § 301.7701-3. Sub 22 will merge with and into Sub 29 (the “Sub 22 Merger”).

(xxvii) Distributing will form LLC 15, which will be treated as a disregarded entity.

(xxviii) Distributing will contribute its interest in LLC 15 to Sub 29, and then Sub 29 will transfer all of its assets except for certain intercompany receivables to LLC 15 (the “LLC 15 Contribution”).

(xxix) LLC 9 will distribute certain assets to LLC 19, which will distribute such assets to Distributing.

(xxx) Distributing will contribute to Controlled: (i) all of the stock of Sub 8 and Sub 13, (ii) all of the outstanding membership interests of Sub 18, Sub 23, Sub 27, LLC 13, and LLC 19, and (iii) cash in exchange for Controlled stock and \$w of Controlled indebtedness (the “Controlled Indebtedness,” such transaction, the “Initial Contribution”). LLC 19 will merge with and into Controlled.

(xxxi) Controlled will contribute approximately \$h to Sub 13.

(xxxii) Controlled will borrow up to \$i from unrelated lenders.

(xxxiii) Controlled will contribute \$x to Sub 28. LLC 15 will merge with and into Sub 28 with Sub 29 receiving \$x in the exchange (the “LLC 15 Sale”).

(xxxiv) Sub 29 will contribute \$x to Sub 30 in exchange for Sub 30 common membership interests.

(xxxv) All remaining indebtedness, including payments under the Historic TSA, will be settled between Distributing or Distributing Affiliates, on the one hand, and Controlled or Controlled Affiliates, on the other hand (the “Intercompany Obligation Repayments”). A portion of this settlement will occur by a contribution to Controlled of certain receivables owed to Distributing under the Historic TSA by Sub 18 (such contribution, together with the Initial Contribution and any additional receivables contributed to Controlled in this Step (xxxv), the “Contribution”).

(xxxvi) Distributing will contribute \$j to Sub 26, which in turn will contribute \$j to LLC 1. Controlled will contribute \$j to Sub 27, which in turn will contribute \$j to LLC 1.

(xxxvii) Prior to the effective date of the Initial Distribution, the board of directors of Distributing will declare a dividend of all of Distributing's shares of Controlled stock to be distributed as described in this Step (xxxvii) and Step (xl) below. Distributing will distribute at least y percent of the Controlled stock to holders of Distributing common stock on a pro rata basis (the "Initial Distribution"). Distributing will not distribute fractional shares of Controlled stock in the Distribution, but will transfer such interests on behalf of such shareholders to a distribution agent. The distribution agent will aggregate fractional shares of Controlled stock, sell them on the open market on behalf of the Distributing shareholders, and distribute the net proceeds of the sale to beneficial owners of Distributing stock who otherwise would have received the Controlled fractional shares.

(xxxviii) One day following the effective date of the Initial Distribution, Distributing will irrevocably transfer the remaining shares of Controlled stock (the "Residual Stock") to a trust (the "Trust") for the benefit of Distributing and the Distributing shareholders.

(xxxix) On or about the effective time of the Initial Distribution, Distributing will transfer all of the Controlled Indebtedness to the holders of the Distributing Notes in exchange for the Distributing Notes (the "Debt Exchange").

(xl) As soon as practicable following the Initial Distribution taking into account market conditions and sound business judgment, Distributing expects to instruct the designated trustee of the Trust (the "Trustee") to conduct one or more exchange offers for Distributing's stock using the Residual Stock as consideration (collectively, the "Exchange Offer"). In the event that less than all of the Residual Stock has been divested pursuant to the Exchange Offer prior to the close of the z-month period following the Initial Distribution, the Trustee will be subject to a binding commitment to distribute pro rata any such remaining shares of Residual Stock to the Distributing shareholders (such transaction, together with any Exchange Offer, the "Subsequent Distribution," and together with the Initial Distribution and the Debt Exchange, the "Distribution").

(xli) Following the effective date of the Initial Distribution, subject to market and other conditions, Distributing may repurchase in exchange for cash, no more than l percent of the Distributing shares outstanding as of the completion of the Subsequent Distribution (the "Stock Repurchases"). The Stock Repurchases may be effectuated (i) in open market transactions, (ii) by means of one or more accelerated stock repurchase transactions with an investment bank, (iii) by means of block purchases allowed under Rule 10b-18 of the Securities Exchange Act of 1934 (the "Exchange Act"), (iv) by means of certain self tender offers allowed under Rule 13e-4 of the Exchange Act, or (v) in some combination of (i)-(iv). In addition to the shares intended to be redeemed

pursuant to the Stock Repurchases, Distributing may repurchase additional shares following the Distribution (the "Additional Repurchases"). Any Additional Repurchases will not exceed the number of shares of post-Distribution issuances. With respect to Stock Repurchases and the Additional Repurchases, the mechanics for the repurchases will be designed to avoid the acquisition of any shares from any officer, director or five percent shareholder of Distributing.

Supplemental Representations

Distributing affirms the representations made in the Prior Letter Ruling as modified and supplemented by the statements and information herein, including the representations below.

The Contribution and Distribution

Representations (k) and (l) of the Prior Letter Ruling are modified as follows:

(k) The fair market value of the assets transferred by Distributing to Controlled in the Contribution will equal or exceed the sum of (i) the total liabilities (if any) assumed (within the meaning of § 357(d)) by Controlled and (ii) the total amount of money and the fair market value of other property (within the meaning of § 361(b)) received by Distributing and transferred by it to its creditors and shareholders in connection with the plan of reorganization.

(l) Any liabilities assumed (within the meaning of section 357(d)) by Controlled in the Contribution were incurred in the ordinary course of business and are associated with the assets being transferred.

The Additional Liquidations

Representations (x)-(cc), (ee)-(hh), and (jj)-(kk) of the Prior Letter Ruling are modified so as to (i) also apply to the Additional Liquidations and (ii) exclude the Sub 1 and Sub 2 Mergers. Representations (dd) and (ii) of the Prior Letter Ruling are modified as follows:

(dd) No assets of Subsidiary have been, or will be, disposed of by either Subsidiary or Parent, except for (i) dispositions in the ordinary course of business; (ii) dispositions occurring more than three years prior to adoption of the plan of liquidation, (iii) the contribution of cash by Sub 7 to Sub 18 on Date 10, Date 11, and Date 12; (iv) the contribution of cash by Sub 7 to a subsidiary on Date 13; (v) the distribution by Sub 19 to Sub 15 on Date 14 of \$p; (vi) the distribution by Sub 10 to Sub 1 of \$aa and \$bb on Date 15 and Date 16; and (vii) transactions comprising steps of the Proposed Transaction.

(ii) Except for (i) accounts payable of Sub 7 owed to Distributing in the amount of \$g, (ii) a loan of \$cc owed by Sub 20 to Sub 21, and (iii) a loan of \$dd owed by Sub 20 to Sub 21, there is no intercorporate debt existing between Parent and Subsidiary and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of adoption of the plan of liquidation.

The Sub 1 and Sub 2 Mergers

The following additional representations have been made regarding the Mergers. For purposes of this letter, with respect to each of the Sub 1 Merger and the Sub 2 Merger, "Transferor" shall mean the corporation merging out of existence, and "Shareholder" shall mean a shareholder of Transferor.

(xx) In each of the Mergers, the following will occur simultaneously as a result of state law: (i) all of the assets and all of the liabilities of each Transferor at the effective time of the Merger will become the assets and liabilities of Distributing, and (ii) the separate legal existence of each Transferor will cease to exist for all purposes.

(yy) Each of the Mergers is being effectuated for the purpose of facilitating the realization of the Corporate Business Purposes.

(zz) Distributing has no plan or intention to sell or otherwise dispose of any of the assets of any Transferor acquired in the transaction, except for (i) dispositions made in the ordinary course of business, (ii) transfers described in § 368(a)(2)(C) or § 1.368-2(k), or (iii) the transactions that comprise the Proposed Transaction.

(aaa) The liabilities of each Transferor assumed by Distributing (within the meaning of § 357(d)) were incurred by the Transferor in the ordinary course of its business and are associated with the assets to be transferred.

(bbb) Following the Mergers and taking into account the assets and businesses, if any, indirectly owned or conducted by Transferor through one or more subsidiaries, Distributing will continue the historic business of each Transferor or use a significant portion of each Transferor's historic business assets in a business as required and defined in § 1.368-1(d).

(ccc) Distributing and each Transferor will pay their respective expenses, if any, incurred in connection with the Mergers.

(ddd) There is no intercorporate indebtedness existing between any Transferor and Distributing that was issued, acquired, or will be settled at a discount.

(eee) No two parties to any Merger are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(fff) The total fair market value of the assets to be transferred to Distributing by each Transferor will exceed the sum of the liabilities of that Transferor to be assumed by Distributing (within the meaning of § 357(d)). The fair market value of the assets of Distributing will exceed the amount of its liabilities immediately after each Merger.

(ggg) None of Sub 1 nor Sub 2 is under the jurisdiction of a court in a Title 11 or similar case within the meaning of § 368(a)(3)(A).

The Sub 22 Merger

(hhh) The fair market value of the Sub 29 stock received by Distributing will be approximately equal to the fair market value of the Sub 22 stock surrendered in exchange therefor.

(iii) Immediately following the consummation of the Sub 22 Merger, Distributing will own all of the outstanding Sub 29 stock and, other than a nominal amount of stock issued to facilitate the organization of Sub 29, will own such stock solely by reason of its ownership of Sub 22 stock immediately prior to the Sub 22 Merger.

(jjj) Sub 29 has no plan or intention to issue additional shares of its stock following the Sub 22 Merger.

(kkk) Assets distributed to Distributing, assets used to pay expenses, and all redemptions and distributions (except for regular, normal dividends) made by Sub 22 immediately preceding the Sub 22 Merger will, in the aggregate, constitute less than one percent of the net assets of Sub 22. There will be no dissenting shareholders.

(lll) At the time of the Sub 22 Merger, Sub 22 will not have outstanding any warrants, options, convertible securities or any other type of right pursuant to which any person could acquire stock in Sub 22.

(mmm) Sub 29 has no plan or intention to reacquire any of its stock issued in the Sub 22 Merger.

(nnn) The liabilities of Sub 22 treated as assumed (within the meaning of § 357(d)) by Sub 29 plus the liabilities, if any, to which the transferred assets are subject were incurred by Sub 22 in the ordinary course of business and are associated with the assets transferred.

(ooo) Distributing will pay its expenses, if any, incurred in connection with the Sub 22 Merger.

(ppp) Sub 22 is not under the jurisdiction of a court in Title 11 or similar case within the meaning of § 368(a)(3)(A).

Modified and Supplemental Rulings

Based solely on the information submitted and the representations made in the Prior Letter Ruling as modified and supplemented herein, we affirm our rulings in the Prior Letter Ruling, which will remain in full force and effect as modified or supplemented by our following rulings.

The Contribution and Distribution

Prior Rulings (1)-(14) are modified so as to incorporate the revisions to the Proposed Transaction, including the incorporation of the Subsequent Distribution into the defined term Distribution. In addition, certain of the Prior Rulings are modified as follows:

(2) No gain or loss will be recognized by Distributing on the Contribution except to the extent of any gain recognized under § 357(c) with respect to any excess of liabilities assumed by Controlled over the adjusted basis of the assets contributed to Controlled. §§ 357(a) and 361(a).

(4) Controlled's basis in each asset received in the Contribution will be the same as the basis of that asset in the hands of Distributing immediately before its transfer, increased by the amount of gain, if any, recognized by Distributing pursuant to § 357(c) on the transfer. § 362(b).

(7) Provided that the Controlled Indebtedness is transferred in the Debt Exchange in connection with the Proposed Transaction as described above, Distributing will not recognize any income, gain, loss, or deduction with respect to the Controlled Indebtedness on the transfer of the Controlled Indebtedness, other than any (i) deductions attributable to the fact that Distributing Notes may be redeemed at a premium, (ii) income attributable to the fact that Distributing Notes may be redeemed at a discount, and (iii) interest expense accrued with respect to Distributing Notes. § 361(c).

(9) Each Distributing shareholder's basis in a share of Distributing common stock (as adjusted under § 1.358-1) will be allocated between the share of Distributing common stock with respect to which the Initial Distribution (or a pro rata distribution in connection with the Subsequent Distribution) is made and the share of Controlled Stock (or allocable portions thereof) received with respect to the share of Distributing common stock in proportion to their fair market values.

(10) Each Distributing shareholder's holding period in the Controlled Stock received will include the holding period of the Distributing common stock with respect to which the distribution of the Controlled stock is made, provided that the Distributing

common stock is held as a capital asset on the date of the Initial Distribution or the Subsequent Distribution, respectively. § 1223(1).

(12) A Distributing shareholder that receives cash in lieu of a fractional share of Controlled stock will recognize gain or loss measured by the difference between the basis of the fractional share received, as determined above in Ruling (9) with respect to the Initial Distribution (or a pro rata distribution in connection with the Subsequent Distribution) or in Ruling (ii) below, with respect to the Exchange Offer pursuant to the Subsequent Distribution, and the amount of cash received. § 1001. Any gain or loss will be treated as capital gain or loss, provided the fractional share of stock is held as a capital asset on the date of the Initial Distribution or the Subsequent Distribution, respectively. §§ 1221 and 1222.

(13) Controlled will not be a successor to Distributing for purposes of § 1504(a)(3); therefore Controlled and its direct and indirect subsidiaries that are “includible corporations” (under § 1504(b)) and satisfy the ownership requirements of § 1504(a)(2) will be members of an affiliated group of corporations entitled to file a consolidated federal income tax return with Controlled as the common parent.

In addition, we rule as follows regarding the Distribution and Contribution:

(i) Except for purposes of § 355(g), any Post-Distribution Payments made by Distributing or any of its affiliates to Controlled or any of its affiliates, or vice versa, that (i) have arisen or will arise with respect to a taxable period ending on or before the Initial Distribution or for a taxable period beginning on or before and ending after the Initial Distribution and (ii) will not have become fixed and ascertainable until after the Initial Distribution will be treated as occurring immediately before the Initial Distribution. See *Arrowsmith v. Commissioner*, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

(ii) The aggregate basis of the Controlled stock received by each Distributing shareholder in the Exchange Offer pursuant to the Subsequent Distribution (including any fractional share interest in Controlled stock to which the shareholder may be entitled) will be the same as the shareholder’s aggregate basis in the Distributing stock surrendered in exchange therefor, allocated in the manner described in § 1.358-2(a)(2). § 358(a)(1).

The Liquidations

Prior Rulings (15)-(21) are modified so as to include the Additional Liquidations and exclude the Sub 1 and Sub 2 Mergers.

The Mergers

Prior Rulings (22)-(32) are revoked.

The Sub 22 Reincorporation

Prior Ruling (33) is revoked.

The Sub 22 Merger

(iii) The Sub 22 Merger will be a reorganization within the meaning of § 368(a)(1)(F). Sub 22 and Distributing will each be “a party to a reorganization” within the meaning of § 368(b).

(iv) Distributing will not recognize any gain or loss on its exchange of Sub 22 stock for Sub 29 stock in the Sub 22 Merger. § 354(a).

(v) Sub 22 will not recognize any gain or loss on the Sub 22 Merger. §§ 361(a) and 357(a).

(vi) Sub 29 will not recognize any gain or loss on the Sub 22 Merger. § 1032(a).

(vii) Sub 29’s basis in each asset received from Sub 22 in the Sub 22 Merger will equal the basis of such asset in the hands of Sub 22 immediately before the Sub 22 Merger. § 362(b).

(viii) Sub 29’s holding period in each asset received from Sub 22 in the Sub 22 Merger will include the holding period during which Sub 22 held such asset. § 1223(2).

(ix) The aggregate basis of the Sub 29 stock received by Distributing in the Sub 22 Merger will be the same as Distributing’s aggregate basis in the Sub 22 stock surrendered in exchange therefor, allocated in the manner described in § 1.358-2(a)(2). § 358(a)(1).

(x) The holding period of the Sub 29 stock received by Distributing will include the holding period of the Sub 22 stock surrendered in exchange therefor, provided that the shares of Sub 22 stock are held as a capital asset by Distributing on the date of the Sub 22 Merger. § 1223(1).

(xi) The taxable year of Sub 22 does not close on the date of the Sub 22 Merger, and such tax year continues in the name of Sub 29. § 1.381(b)-1 and Rev. Rul. 57-276, 1957-1 C.B. 126.

The LLC 15 Sale

(xii) Sub 29 will recognize gain under § 1001 upon the LLC 15 Sale to the extent that the fair market value of the assets sold by Sub 29 exceed their adjusted bases at such time.

(xiii) The gain recognized by Sub 29 upon the LLC 15 Sale will be taken into account upon the Initial Distribution. § 1.1502-13.

(xiv) Sub 28 will take a cost basis under § 1012 in the assets of LLC 15.

The Sub 1 and Sub 2 Mergers

(xv) Each of the Mergers will qualify as a reorganization under § 368(a)(1)(A), and Transferor and Distributing will each be a “party to a reorganization” under § 368(b).

(xvi) No Transferor will recognize gain or loss on any of the Mergers. §§ 357(a) and 368(b).

(xvii) Distributing will recognize no gain or loss on its receipt of the assets of Transferor in actual or constructive exchange for Distributing stock. § 1032(a).

(xviii) Distributing’s basis in each asset received in each of the Mergers will equal the basis of the asset in the hands of each Transferor immediately prior to the Mergers. § 362(b).

(xix) Distributing’s holding period in each asset received from each Transferor in each of the Mergers will include the period during which that asset was held by the Transferor. § 1223(2).

(xx) Distributing will succeed to and take into account as of the close of the effective date of each of the Mergers the items of each Transferor described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder. § 381(a) and § 1.381(a)-1.

Caveats

We express no opinion about the tax treatment of the Proposed Transaction under other provisions of the Code and regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transaction that is not specifically covered by the above rulings. In particular, we express no opinion regarding:

- (i) Whether the Distribution satisfies the business purpose requirement of § 1.355-2(b);
- (ii) Whether the Distribution is being used principally as a device for the distribution of the earnings and profits of Distributing or Controlled or both (see § 355(a)(1)(B) and § 1.355-2(d));

- (iii) Whether any distribution described above and an acquisition or acquisitions are part of a plan (or series of related transactions) under § 355(e)(2)(A)(ii);
- (iv) Whether the Stock Repurchases are governed by § 356 or § 302;
- (v) Any cost-based transactions between Distributing and Controlled; and
- (vi) The federal income tax consequences of Steps (i) and (ii).

Procedural Statements

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent. A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of this letter ruling.

In accordance with a power of attorney on file in this office, a copy of this ruling letter is being sent to your authorized representative.

Sincerely,

Richard K. Passales
Senior Counsel, Branch 4
Office of Associate Chief Counsel
(Corporate)